Gem and Jewellery Export Promotion Council, Mumbai, (GJEPC), India has the potential of increasing its market share of export of cut and polished diamonds to 60% by value by the year 2005. The Medium Term Export Strategy of the Government for the year 2002—07 encompasses forging stretegic alliances with producers of rough diamonds and retailers of jewellery, encouraging forward integration into gemstone jewellery, hallmarking and certifying goods towards development of Indian brand in jewellery and developing market intelligence focusing on USA, Japan, France and on the NRIs.

In the Export-Import Policy effective 1st April, 2002, custom duty on import of rough diamonds has been reduced to 10% and licensing regime for rough diamonds has been abolished. Exploring direct procurement of rough diamonds from diamond mining countries is an ongoing exercise. Funds have been provided to create training infrastructure in the gem & jewellery sector by setting up an institute for jewellery design and manufacture under the auspices of the Indian Diamond Institute at Surat. To impart skills in designing in jewellery sector, Government has provided financial assistance to set up Indian Institute of Gem & Jewellery at Mumbai. For promotion of India's gem and jewellery abroad, publicity campaign, participation in international fairs, buyers and sellers meet are organised every year.

Interest rates on deposits in Urban Co-operative Banks

*427. SHRI YADLAPATI VENKAT RAO: Will the Minister of FINANCE be pleased to state:

(a) whether the Reserve Bank of India has issued a directive to the Urban Co-operative Banks to slash the interest rates on deposits to the level offered by the commercial banks;

(b) if so, the rate of interest Urban Co-operative Banks were paying before the directive of the RBI; and

(c) what is the rate of interest of commercial banks at present?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL): (a) and (b) Urban cooperative banks are free to determine their rate of interest on term

deposits with the approval of their Board of Directors. However, offering high rate of interest which is not in alignment with market rates, affects the profitability of banks and adds to their liability. Therefore, Urban cooperative banks were advised by RBI in January 2002 to review their interest rate structure on term deposits of different maturities and take appropriate action to make them comparable with the rates offered by commercial banks.

(c) With effect from October 22, 1997, RBI has given freedom to commercial banks to fix their own interest rates on domestic term deposits of various maturities. At present the term deposit rates of different banks are generally between 8% to 9% p.a. However, interest rate on savings deposits is still regulated by RBI and this rate has been fixed at 4.0 per cent per annum since April 1, 2000.

Import duty exemption on appliances for disabled

•428. SHRI NANA DESHMUKH: Will the Minister of FINANCE be pleased to state:

(a) whether a delegation of disabled persons recently met him seeking exemption of import duty and taxes on appliances meant for them;

(b) whether it is a fact that these specific budgetary demands are being made by them for the last several years; and

(c) if so, the details of demand made togetherwith the action taken on each of them?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI GINGEE N. RAMACHANDRAN): (a) Yes, Sir.

(b) and (c) While no specific demands in respect of import duty exemption on appliances for the disabled appear to have been received in the past, a number of appliances imported for personal use by disabled persons are already exempt from all customs duties. These, *inter alia,* include wheel chairs, braillers and braille instruments, arithmetic and geometric aids, braille watches and